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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

APR 23 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Assessment and Collection of) MD Docket No. 96-186
Regulatory Fees for Fiscal)
Year 1997)

To: The Commission

COMMENTS OF THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

The American Radio Relay League, Incorporated (the League), the national association of amateur radio operators in the United States, by counsel and pursuant to Section 1.415 of the Commission's Rules (47 C.F.R. §1.415), hereby respectfully submits its comments¹ in response to the *Notice of Proposed Rule Making* (the Notice), FCC 97-49, released March 5, 1997. The Notice proposes to establish a revised table of annual regulatory fees to be collected by the Commission from licensees pursuant to Section 9(a) of the Communications Act of 1934, as amended [47 U.S.C. §159(a)] during fiscal year 1997. In the interests of the Amateur Service relative to regulatory fees for the Commission's Vanity Call Sign program, the League states as follows:

1. The Commission established the very popular "vanity call sign" program by *Report and Order*, 10 FCC Rcd. 1039 (1995), modified by *Memorandum Opinion and Order*, 10 FCC Rcd. 11135 (1995),

¹ These comments are not timely filed; a motion for leave to submit late-filed comments is being submitted contemporaneously herewith.

but the program did not actually commence until 1996, to the extent that the filing of applications for such call signs were not accepted until mid-1996. The program allows those radio amateurs who wish to do so to choose their own call signs from blocks of call signs corresponding to particular categories, or license classes. The initial regulatory fee for those licensees who wished to participate in the program was established at \$3.00 per year, collected in advance for the full ten-year license term, in one increment of \$30.00. That fee, though a regulatory fee for the use of a particular call sign, is collected at the time of application for the call sign.

2. In the Report and Order which established the vanity call sign program, the Commission decided, quite reasonably, that the most equitable method of assigning these call signs was by a series of "gates", or application windows. This would establish a process whereby certain priorities in call sign assignment would be created. Gate 1, for example, was for persons who once held a call sign, or for persons who wished to obtain the call sign formerly held by a deceased relative. Gate 1A was for clubs which wished to obtain the call sign of a deceased member as a commemorative matter. Gate 2 was for holders of the highest class of amateur license, the Amateur Extra Class licensees. Gate 3 is for holders of the Advanced Class license, and the last gate, Gate 4, is for other licensees to select particular call signs.

3. For various reasons, the Commission has not yet opened all of the filing "gates". Gate 1 was opened May 31, 1996; Gate 1A July

22, 1996, and Gate 2 September 23, 1996. Gates 3 and 4 have not been opened yet. The program has, as mentioned above, proven to be immensely popular, and the Commission has provided a service for which the Amateur Service is most grateful. Neither has the \$30.00 ten-year regulatory fee proven, nor it is perceived to be, excessive. It is expected that Gate 3 will be opened in the near term, and a large number of applications for vanity call signs is expected to be filed. Indeed, the Commission has noted² that it expects 10,000 requests for vanity call signs to be filed during FY 1997. The League anticipates that the estimate may prove somewhat low, especially if both Gates 3 and 4 are opened during FY 97.

4. The instant Notice proposes to increase the regulatory fee for use of vanity call signs from \$3.00 per year to \$5.00 per year. This is not objectionable *per se*, were that to represent the per license amount necessary to reimburse the Commission's expenses in administering the program. It is noted that the FY 1997 target revenue exceeds \$300,000, which would be the revenue estimated to be produced in FY 1997 from the projected 10,000 applicants for vanity call signs at the present annual regulatory fee. However, it is also noted that the computed new FY 1997 regulatory fee is still \$3.00, but is "rounded" to \$5.00, thus producing an expected FY 1997 revenue of \$500,000. This would cover a pro-rated target revenue of \$316,841, and a total adjusted, pro-rated cost of only \$244,937.

² See the Notice, at paragraph 52.

5. The amateur radio community generally is willing to pay fees for services provided by the Commission, which surely includes the Vanity Call Sign program. However, it would seem quite inequitable for those filers under the first two "gates" for applications for vanity call signs to have been asked to pay \$30 for use of a call sign for a ten-year period, and for the Gate 3 and 4 filers during FY 1997 (who could not have submitted a request for a vanity call sign before that time due to the structure of the program) to be charged \$50.00, a 60 percent increase, for the same service. This is not necessarily to suggest that the Commission not increase the FY 1997 annual regulatory fee from \$30 to \$50. The League does, however, request specifically that the commencement of collection of the 1997 Regulatory Fees for the Amateur Vanity Call Signs be deferred until all four of the filing "gates" are opened and amateurs in each category have had a chance to file an application for a vanity call sign. It is anticipated that this could occur shortly, and therefore the delay in implementing the new fee need not result in any revenue deficiency in the administration of the program.

6. Because the projected revenue from the Amateur Vanity Call Sign program from the fee increase under the Notice proposal significantly exceeds the adjusted target revenue needed, this request would appear reasonable. After the last gate is opened for at least a few weeks, to permit the preparation and tender of requests for club call signs by each category of applicant, the

League would interpose no objection to the effectiveness of the increased fee.

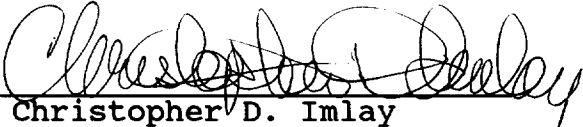
Therefore, the foregoing considered, the American Radio Relay League, Incorporated respectfully requests that the Commission defer the effective date of any FY 1997 annual regulatory fee increase for Amateur Vanity Call Signs to a date following the opening of the last "gate" for such call sign application filers, to afford each category of applicant an opportunity to pay the same \$3.00 per year regulatory fee that the Gates 1, 1A and 2 filers were permitted to pay. It is further requested that the Commission limit the vanity call sign fee to that necessary to recoup its expenses in administration of the program, without rounding to a significantly higher fee.

Respectfully submitted,

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